June 27, 2008

This edition of the COD Processing Update will remain on the COD Web site until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.

Direct Loan Program

COD News

COD Batch Processing Suspension And Web Site Outages June 27-28, 2008 (06/23/08)
As explained in a June 20, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site, during the period June 27-28, 2008, Federal Student Aid plans to update the 2008-2009 COD System with functionality that supports Teacher Education Assistance for College and Higher Education (TEACH) Grant origination and processing functions as well as regulatory and legislative changes that impact William D. Ford Federal Direct Loan (Direct Loan) Program origination and processing functions. The effective date for the TEACH Grant Program and the Direct Loan changes is July 1, 2008.

In order to install the necessary system and Web site changes—

- Federal Student Aid will suspend COD batch processing beginning at 8:00 P.M. (ET) on Friday, June 27, 2008. Records submitted after 8:00 P.M. (ET) will be held and processed after 10:00 P.M. (ET) on Saturday, June 28, 2008.

- The COD Web site will be unavailable from 8:00 P.M. (ET) on Friday, June 27, 2008 until 10:00 P.M. (ET) on Saturday, June 28, 2008.

Additionally—

- The Direct Loan Electronic Master Promissory Note (MPN) Web site will be unavailable from 8:00 P.M. (ET) on Friday, June 27, 2008 until 10:00 P.M. (ET) on Saturday, June 28, 2008.

  Individuals starting the process by 7:00 P.M. (ET) on June 27, 2008 will be able to complete their MPNs before the Web site becomes unavailable. Individuals attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing MPN.

Federal Student Aid apologizes for any inconvenience the batch processing suspension and Web site outages may cause and appreciates your understanding and patience while it completes this important activity.

COD Holiday Schedule For July 4, 2008 (06/27/08*)*
The COD School Relations Center will be closed on Friday, July 4, 2008 in observance of the Independence Day Federal holiday. The COD System will accept and process data from schools and send back responses/acknowledgements on July 4, 2008, but schools will not be able to

receive any Federal funds on that day. Requests for changes in funding levels and for funds will not be processed until Monday, July 7, 2008.

Further information regarding Independence Day processing and customer service hours for COD and other Federal Student Aid/ED call centers will be posted in an Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site.

Upcoming SAIG Message Class File Update (06/26/08)
On June 30, 2008, Federal Student Aid will send the message class "MESSAGTB" via the Student Aid Internet Gateway (SAIG) to all user mailboxes. The EDconnect transmission software will automatically request, download, and import this new message class table with your next connection to the SAIG network. Once the MESSAGTB file has been imported, the new message class table will be used from that point forward.

Federal Student Aid will add the non-cyclical Conditional Disability Discharge Tracking System (CDDTS) message class GACDDTOP to the message class table. Federal Student Aid will use this message class to deliver to each Guaranty Agency (GA) a monthly report listing CDDTS assignment rejections and acceptances.

Detailed information about the new message class table has been posted in a June 26, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site and will be sent to schools' SAIG mailboxes.

Direct Loan Bulletin 08-14 Released (06/24/08)
Direct Loan Bulletin 08-14 was released to schools from the COD School Relations Center on June 23, 2008 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This bulletin announces the availability of a revised Federal Direct PLUS Loan Application and Master Promissory Note (Direct PLUS Loan MPN) and related forms, and provides guidance on the implementation of these documents.

If you would like to be added to or removed from the Direct Loan Bulletin distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of "DLB Distribution".

Direct Loan Bulletin 08-15 Released (06/24/08)
Direct Loan Bulletin 08-15 was released to schools from the COD School Relations Center on June 23, 2008 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This bulletin announces the availability of a revised Federal Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note (Direct Subsidized/Unsubsidized Loan MPN) and related forms, and provides guidance on the implementation of these documents.

If you would like to be added to or removed from the Direct Loan Bulletin distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of "DLB Distribution".

The Ensuring Continued Access To Student Loans Act Of 2008 (06/20/08)
In a June 19, 2008 Dear Colleague Letter GEN 08-08 posted on the Information For Financial Aid Professionals (IFAP) Web site, Federal Student Aid provided a summary of the recently enacted Ensuring Continued Access to Student Loans Act of 2008 (ECASLA), Pub. L. 110-227.

The letter also explains the actions the Department is taking to help ensure that postsecondary students and their parents have access to Federal student loans. For complete information about the ECASLA, refer to Dear Colleague Letter GEN 08-08.

Direct Loan Program Overview -- Online, Instructor-Led Training (06/12/08)
Federal Student Aid is pleased to announce an online, instructor-led training–Direct Loan Program Overview–for school financial aid administrators and their staff. This one hour and thirty minute session will be offered on July 11, 2008 from 10:00 A.M. to 11:30 P.M. (Central Time).

The Direct Loan Program Overview training session is intended to provide introductory level information to staff new to the Direct Loan Program, as well as for those who may be interested in learning more about the program.

For additional information about the online training, including registration information, refer to the June 9, 2008 Training Announcement ANN 08-08 on the Information for Financial Aid Professionals (IFAP) Web site.

Reports and Data Requests

NOTICES

This section contains important notices regarding reports and/or data requests. While we encourage you to review this section, note that some schools may not be impacted by the information presented below.

- Direct Loan Rebuild File— Schools in need of this file should contact the COD School Relations Center.

Grant Programs

ACG, National SMART Grant, Pell Grant, and TEACH Grant

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Detailed information about the new message class table has been posted in a June 26, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site and will be sent to schools' SAIG mailboxes.

National SMART Grant Program - List Of Eligible Majors For Academic Year 2008-2009 (06/23/2008)

The Department of Education has provided the list of academic majors eligible for the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program for the 2008-2009 Award Year. Complete information regarding the eligible academic majors is available in Dear Colleague Letter GEN-08-09 posted on the Information for Financial Aid Professionals (IFAP) Web site.

The Ensuring Continued Access To Student Loans Act Of 2008 (06/20/08)

In a June 19, 2008 Dear Colleague Letter GEN 08-08 posted on the Information For Financial Aid Professionals (IFAP) Web site, Federal Student Aid provided a summary of the recently enacted Ensuring Continued Access to Student Loans Act of 2008 (ECASLA), Pub. L. 110-227. The letter also explains the actions the Department is taking to help ensure that postsecondary students and their parents have access to Federal student loans. For complete information about the ECASLA, refer to Dear Colleague Letter GEN 08-08.

2007-2008 National SMART Grant Deobligation Due to No Corresponding Pell Grant Warning Message (06/20/08)

On June 19, 2008, Federal Student Aid began processing a message to schools that have reported 2007-2008 National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) actual disbursements for a student who does not have a 2007-2008 Federal Pell Grant (Pell Grant) actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount ($0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on July 16, 2008.

Federal Student Aid sent the June 19, 2008 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class SGTX08OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2007-2008 Pell Grant actual disbursement in the Reconciliation Report message class SGRC08OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2007-2008 Pell Grant disbursements for affected students before July 16, 2008.

Note Regarding Exception Process for No Corresponding 2007-2008 Pell Grant Due to R2T4 Calculation:

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2007-2008 Award Year due to the documented full repayment of the Pell Grant as a result of a Return of Title IV Funds (R2T4) calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by July 14, 2008. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and G5 Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- National SMART Grant Award ID
- National SMART Grant Award Amount
- National SMART Grant Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for July 16, 2008.

For complete information, refer to the June 20, 2008 Electronic Announcement that is posted on the IFAP Web site. If you have questions about the warning message or need to report an R2T4 exception (by July 14, 2008 as explained above) contact the COD School Relations Center.

TEACH Grant Operational Implementation Guidance – Final Rule Published In Federal Register [02/12/08 (Updated 06/24/08)]

The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, authorized the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program for implementation beginning with the 2008-2009 Award Year. The TEACH Grant Program provides up to $4,000 a year in grant assistance to a student who agrees to serve for at least four years as a full-time teacher in a high-need field in a public or private elementary or secondary school that serves students from low-income families. A TEACH Grant recipient who does not complete the required teaching within a specified timeframe, or fails to meet certain other requirements of the TEACH Grant Program, will be required to repay the TEACH Grant as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

Note: For policy information on all of the provisions of the CCRAA, including the TEACH Grant Program, refer to Dear Colleague Letter GEN-08-01 on the Information for Financial Aid Professionals (IFAP) Web site. For information on institutional eligibility for the TEACH Grant Program, refer to Dear Colleague Letter GEN-08-07 on the IFAP Web site.

Final Rule for TEACH Grant Program Published in Federal Register

The Final Rule for the TEACH Grant Program was published in the Federal Register on June 23, 2008 (73 FR 35472) and is available on the Information for Financial Aid Professionals

(IFAP) Web site. These final regulations are effective July 1, 2008 for the 2008-2009 Award Year.

June 19, 2008 Additional/Updated TEACH Grant Operational Implementation Information Electronic Announcement

In a June 19, 2008 Electronic Announcement posted on the IFAP Web site, Federal Student Aid provided updates to the TEACH Grant operational implementation information provided in an earlier (April 9, 2008) Electronic Announcement. For complete information prior to June 27-28, 2008 implementation of COD System functionality that supports the processing of TEACH Grant awards for the 2008-2009 and subsequent award years, refer to the June 19th Electronic Announcement.

Note: During the week of June 23, 2008, Federal Student Aid will post an Electronic Announcement that provides additional information about the student aspects of the TEACH Grant Program that will be operational for July 1, 2008. Please monitor the IFAP Web site for this guidance.